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GUAM/CNMI WORKING GROUP

VIA HAND DELIVERY

Mr. William F. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W. , Room 222
Washington, D.C. 20554

RECEIVED

JUL - 9 1996

Federal Communications Commission
Office of Secretary

Re: **Ex Parte Meeting**
CC Docket 96-61

Dear Mr. Caton:

On July 8 and 9, 1996 the Guam/CNMI Working Group on Rate Integration met to discuss the implementation of Section 254(g) of the Telecommunications Act of 1996 as it applies to Guam and the Commonwealth of the Northern Marianas (CNMI). Present at the meetings were Patrick Donovan and Sherille Ismail of the Competitive Pricing Division of the FCC. The meeting participants are listed in the attached Appendix A.

The Guam/CNMI Working Group adopted seven substantive resolutions. These resolutions are included as Appendix B. A copy of the minutes of the Guam/CNMI Working Group will be filed in this docket as soon as they are finalized and available.

Also discussed was the July 2, 1996 letter from E.E. Estey, AT&T Government Affairs Vice President to James Schlichting, Chief of the Competitive Pricing Division of the FCC regarding CC Docket No. 96-61. In particular, the group discussed the potential scenario raised by AT&T's letter (AT&T was not present) that if existing international settlement arrangements are left in place once Guam and the CNMI are subject to rate integration, an inconsistent regulatory regime could result. The argument that U.S. carriers terminating U.S. traffic have control over where they locate their switches was also discussed.

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OH

Mr. William F. Caton

July 9, 1996

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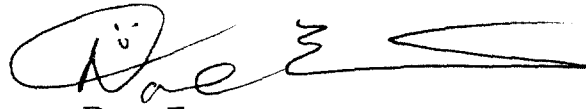
Questions regarding the foregoing should be directed either to local counsel for the CNMI, Thomas K. Crowe, Esq., at 202/973-2890, or Robert F. Kelley, Advisor to the Governor of Guam, 202/624-3670. Another Guam/CNMI Working Group meeting has been scheduled for August 26 and 27.

In accordance with the Commission's rule, an original and one copy of this notice are being submitted to the Secretary of the FCC.

Respectfully submitted,



Robert F. Kelley
Advisor to the
Governor for Telecommunications
and Technology



Dave Ecret
Special Assistant to the
Governor for Telecommunications
and Utilities

cc: All Commissioners
Regina Keeney, FCC
Patrick Donovan, FCC
Sherille Ismail, FCC
Working Group Participants

Enclosures

APPENDIX A
List of Participants at Guam/CNMI Working Group Meeting
July 8 & 9, 1996

Robert J. Maloney
Chairman & CEO
PCI Communications Inc.

Veronica M. Ahern
Counsel to Guam Telephone Authority

Rena B. Wang
Member, Board of Directors
Guam Telephone Authority

Gordon Maxson
GTE/MTG

Larry Sampson
NECA

H.M. Boertzel
Guam PUC

Kent Nakamura
Sprint

Thomas K. Crowe
Counsel for CNMI Governor

Danny Santos
Sprint Guam

Dave Ecret
CNMI Governor's Office

Gregory F. Intoccia
MCI

Robert F. Kelley
Guam Governor's Office

Randall P. Slocum
MCI

Jim Maden
PUC

Phuong N. Pham
Counsel for IT&E Overseas Inc.

Invited but not present:

Margaret L. Tobey
Counsel for IT&E Overseas Inc.

AT&T

John M. Borlas
President
IT&E Overseas Inc.

Robert Torres
Counsel for IT&E Overseas

Vicente M. Camacho
Guam Telephone Authority

Carl O. Thorsen
Coopers & Lybrand

GUAM/CNMI WORKING GROUP

IT WAS RESOLVED ON JUNE 12, 1996:

(RESOLUTION NO. 1)

The Governor of Guam Rate Integration Working Group be renamed the Guam/CNMI Working Group and will continue to work together to identify, discuss and present recommendations to the Federal Communications Commission regarding issues arising out of the implementation of the Communications Act of 1934, as amended (the Act);

BE IT RESOLVED THAT:

(RESOLUTION NO. 2)

Rate integration should involve the incorporation of Guam and the CNMI into the domestic rate pattern for message telephone service (MTS). Each provider of interstate interexchange telecommunications services should establish rates consistent with its rate-making methodology used for that service elsewhere in the United States, in compliance with the Act;

(RESOLUTION NO. 3)

As far as practicable, implementation of rate integration should be contingent upon inclusion of Guam and the CNMI within the North American Numbering Plan and conversion to equal access and cost-based interstate access tariffs (currently anticipated on or about 1 July 1997);

(RESOLUTION NO. 4)

It is not possible to determine at this time whether support mechanisms for rate integrated services will be required to meet the goals of the Act. Accordingly, if required, support mechanisms should be addressed after the release of the FCC ruling on rate integration and in the context of the notice of proposed rulemaking and order establishing the Universal Service Joint Board (CC Docket No. 96-45);

(RESOLUTION NO. 5)

Each provider of interstate interexchange telecommunications services, other than MTS, to the extent those services are offered between Guam or the CNMI and any other state should establish rates consistent with its rate-making methodology used for those services elsewhere in the United States, in compliance with the Act;

(RESOLUTION NO. 6)

The implementation of rate integration should not discourage flexibility and competitive responses among interstate telecommunications providers serving Guam or the CNMI;

(RESOLUTION NO. 7)

Optional calling plans, promotions, or discounts will be offered to subscribers in Guam and the CNMI in compliance with the Act;

(RESOLUTION NO. 8)

None of these Resolutions shall supersede any provisions of the Act, or limit or restrict the authority of the Federal Communications Commission under the Act;

THIS NINTH DAY OF JULY NINETEEN HUNDRED NINETY-SIX.

WASHINGTON, D.C.